MT and that of glazed newsprint by Rs. 10,410/- per MT. These increases in the prices of newsprint were proposed by STC in the wake of effects of the exchange rate adjustment particularly on the accumulated past liabilities in foreign exchange. The newspaper industry was not prepared to bear the burden. This had led to an impasse while big newspapers claimed that this increase would lead to sharp increase in the prices of newspapers and their advertisement tariff, many small and medium newspapers apprehended closure.

2. A number of consultations were held between the Government, the S.T.C and the Newspaper Industry over the past two weeks. After several rounds of such consultations and dialogue, the matter has been resolved at the Newsprint Price Fixation Advisory Committee meeting held on 16th August, 1991 on mutually agreed cost-sharing basis between the Industry and the S.T.C. We are grateful to our Prime Minister for sparing valuable time to resolve this impasse. While the prices of imported standard newsprint will continue to be Rs. 16,000/- per MT, and that of glazed newsprint Rs. 23,000/- per MT, the newspaper establishments will pay an additional amount of Rs. 800/- per MT on standard newsprint and Rs. 2,300/- per MT on glazed newsprint as a one time surcharge. This will be recovered on a total quantity of 2,50,000 Tonnes of standard newsprint and 40,000 Tonnes of glazed newsprint.

3. Government are committed to the healthy growth of the press. It is on account of this commitment that newsprint has been considered as an essential commodity and the gap between the domestic production and total requirements is met through imports. While the indigenous production has remained static at the level of about 2.8 lakh Tonnes per year, the demand for newsprint has been going up. The country is now importing 40% to 45% of the total newsprint requirements. While efforts have to be made for encouraging the installation of additional capacities for the production of indigenous newsprint, all users will have to apply themselves to conserve this scarce commodity and try to optimise its utilisation. Government have received demands from some sections of the Press, more particularly, the big newspapers for the decanalisation of newsprint import. While the Government would not stand in the way of decanalisation, our response to this demand will necessarily be conditioned by our overriding concern for the interests of the Small and Medium Newspapers, which cannot individually organise the import of newsprint.

4. Government have already set up a Committee to recommend new rate structure for Government advertisements. In the meanwhile, keeping in view the recent hike in the newsprint prices, Government have decided to increase the rates of Government advertisements by 18% as an interim measure. It will be effective from 1st August, 1991.

[Placed in Library. See No. LT 421191]

13.44 hrs

Announcement Re: Nomination of a Member to the Panel of Chairmen

[English]

MR. DEPUTY SPEAKER: Now I have to inform the House that under Rule 9 of the Rules of Procedure and Conduct of Business in Lok Sabha, the Hon. Speaker has nominated Shri Ram Naik as a Member of the Panel of Chairmen.

Now we shall take up matters under Rule 377.

13.45 hrs

MATTERS UNDER RULE 377

(i) Need to set up Agro-beased Industries in Mohindergarh District, Haryana and also to earmark funds for expolration of minerals in the region

[English]

RAO RAM SINGH (Mohindergarh): It has been the policy of the Government to bring about uniform development throughout the country and to give preference and priority to the backward and undeveloped areas. In pursuance of